
**LOAN NUMBER 9213-CN
LOAN NUMBER 9214-CN
LOAN NUMBER 9215-CN**

Loan Agreement

(China Food Safety Improvement Project)

between

PEOPLE'S REPUBLIC OF CHINA

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between PEOPLE'S REPUBLIC OF CHINA ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — LOAN

- 2.01. The Bank agrees to lend to the Borrower the amount of three hundred seventy-seven million six hundred forty-one thousand Dollars (\$377,641,000) (the "Loan") to assist in financing the project described in Schedule 1 to this Agreement ("Project"), in the following portions:
 - (a) Portion A of the Loan in the amount of two hundred seventy-seven million six hundred forty-one thousand Dollars (\$277,641,000), as such amount may be converted from time to time through a Currency Conversion;
 - (b) Portion B of the Loan in the amount of fifty million Dollars (\$50,000,000), as such amount may be converted from time to time through a Currency Conversion; and
 - (c) Portion C of the Loan in the amount of fifty million Dollars (\$50,000,000), as such amount may be converted from time to time through a Currency Conversion.
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest rate is the Reference Rate plus the Variable Spread or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.
- 2.06. The Payment Dates are June 1 and December 1 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with Schedule 3 to this Agreement.

ARTICLE III — PROJECT

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall: (a) carry out the Borrower's Respective Parts of the Project, through MARA and SAMR, in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement; and (b) cause the Project Implementing Entities' Respective Parts of the Project to be carried out by the Project Implementing Entities in accordance with the provisions of Article V of the General Conditions and the respective Project Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Condition of Effectiveness is that MARA, SAMR and each of the Project Implementing Entities have adopted the respective Project Operations Manual, in form and substance acceptable to the Bank.
- 4.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Borrower's Representative is its Minister, or a Vice Minister, of Finance.
- 5.02. For purposes of Section 10.01 of the General Conditions:

(a) the Borrower's address is:

Ministry of Finance
Sanlihe
Xicheng District
Beijing 100820
People's Republic of China; and

(b) the Borrower's Electronic Address is:

Facsimile: (86-10) 6855-2077

- 5.03. For purposes of Section 10.01 of the General Conditions:

(a) the Bank's address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

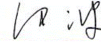
(b) the Bank's Electronic Address is:

Facsimile: 1-202-477-6391

AGREED as of the Signature Date.

PEOPLE'S REPUBLIC OF CHINA

By



Authorized Representative

Name: Zhang Bo _____

Title: Deputy Director General _____

Date: 22-Dec-2023 _____

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By



Authorized Representative

Name: Mara Warwick _____

Title: Country Director. _____

Date: 21-Dec-2023 _____

SCHEDULE 1

Project Description

The objective of the Project is to improve food safety management at the national and targeted subnational levels and reduce food safety risks in selected value chains.

The Project consists of the following parts:

Part 1: Institution building and regulatory performance

- 1.1 *Food safety programming guidance.* Supporting: (a) the review of primary and secondary legislation, including agriculture product quality and food safety management strategies, policies and guidelines and their benchmarking with best international practices; (b) partnerships and collaborations with universities, academic or research institutions for research, studies and knowledge events on food safety related challenges; and (c) young professional schemes and internship programs for youth skills development related to food safety.
- 1.2 *Multi-sector coordination and food safety governance.* Strengthening inter-agency collaboration at national and sub-national level on surveillance of hazards, risk assessment, risk management, and standards development between institutions with a food safety related mandate.
- 1.3 *Risk based regulatory frameworks.* (a) Supporting MARA and SAMR in carrying out food safety risk assessments for the prioritized value chains, updating food safety standards, and developing and piloting solutions for enhancing producers' compliance with food safety standards; and (b) supporting the Project Implementing Entities in developing selected standards and regulations specific to the prioritized value chains and certification systems for safe food.
- 1.4 *Risk-management capacity building.* Designing and implementing capacity building activities related to food safety at the national and sub-national level, including: (a) targeted training activities for selected food safety professionals; (b) demonstrations, technical assistance and capacity building on risk management; (c) development of course curricula and e-learning platforms; (d) development of professional certification programs for food safety and quality control personnel; (e) visits and secondment programs to international food safety agencies; (f) capacity building activities for hosting international events; and (g) technical assistance and capacity building to participating financial institutions and insurance companies.

Part 2: Food safety supervision process

- 2.1 *Food safety surveillance systems.* Improving food safety control and capacity for detection and early warning of food safety incidents, through, *inter alia*: (a) facility and equipment improvements in food safety laboratories and other testing centers; (b) creating a network of reference laboratories with specialization in specific food safety hazards; and (c) training and technical assistance for strengthening laboratory information systems to link with a centralized big data platform for risk profiling and analytics.

- 2.2 *Food safety information analytics.* Enhancing the availability, integration and analysis of food safety-related data through, *inter alia*: (a) technical assistance for the development of data policies related to food safety-related data; (b) piloting selected innovative technologies and digital control systems at the farm and enterprise level for smart and automated food safety supervision; (c) development of food safety traceability systems across selected value chains; (d) linking of existing traceability platforms; and (e) development of integrated information technology platforms, technical protocols and data analytics for the identification and reporting of food safety risks.
- 2.3 *Risk communication.* Increasing transparency and accountability in risk management related to food safety, through, *inter alia*: (a) developing a comprehensive and differentiated food risk communication strategy; (b) developing long-term food risk communication programs for enterprises and consumers; (c) implementing an inclusive community engagement model; (d) developing an interactive online communication tool for consumers; (e) establishing a food recall management mechanism; (f) providing training to food safety managers on critical food incident management and developing approaches for consumer involvement in food incident management; (g) promoting selected best international practices for food safety and healthy lifestyle; (h) strengthening spokespersons mechanisms; (i) conducting public surveys for analysing consumer confidence and trust in food safety and food safety framework; and (j) carrying out effective communications on climate hazards.

Part 3: Whole value chain food safety control

- 3.1 *Investment Support.* Supporting the adoption of selected technologies and business solutions for improving food safety agriculture product quality at selected value chains by: (a) providing a line of credit to selected financial institutions to extend Sub-loans to Eligible Beneficiaries in selected areas in Shandong Province; and (b) issuing partial credit guarantees under a Risk Sharing Facility (“RSF”) to selected financial institutions to cover potential defaults on loans provided by said institutions to Eligible Beneficiaries in selected areas in Guangdong Province.
- 3.2 *Food safety insurance services.* Developing and piloting an innovative insurance product and comprehensive risk management solutions for agriculture product quality and food safety in selected areas in Guangdong Province.
- 3.3 *Modernizing value chain infrastructure.* Upgrading selected value-chain infrastructure facilities and improving existing markets’ infrastructure and risk management practices.

Part 4: Project implementation support

- 4.1 *Project Management.* Supporting Project management activities at the national and sub-national level, including financial management systems, environment and social safeguards management systems, procurement management, governance and accountability systems, and knowledge management systems.
- 4.2 *Monitoring, evaluation, and learning.* Supporting (a) management information systems, results tracking and reporting systems, including monitoring and evaluation activities; (b) after-action reviews; (c) systematic reviews of lessons learned; (d) qualitative studies, quantitative research

surveys; and (e) the development of national innovation marketplaces and case study competitions.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. **Financing Arrangements**

1. For the purposes of carrying out the Project Implementing Entities' Respective Parts of the Project, the Borrower shall make available to the Project Implementing Entities the proceeds of the Loan allocated from time to time to said entities in the table set forth in Section III.A of this Schedule, under terms and conditions acceptable to the Bank, including the following principal terms:
 - (a) The principal amount shall be made available in Dollars or any other Currency as the Loan (or any of the portion specified in Section 2.01 of this Agreement) may be converted from time to time through a Currency Conversion of the value of the currency or currencies so withdrawn (such principal amount determined on the date, or respective dates, of withdrawal from the Loan Account).
 - (b) The principal amount so made available shall be recovered as follows: (i) when referring to Portion A of the Loan, over a period of thirty (30) years, inclusive of a grace period of six (6) years; (ii) when referring to Portion B of the Loan, over a period of thirty (30) years, inclusive of a grace period of ten (10) years; and (iii) when referring to Portion C of the Loan, through a bullet repayment due on December 1, 2040.
 - (c) Interest shall be charged on such principal amount withdrawn and outstanding from time to time at a rate equal to the rate of interest applicable from time to time to the Loan pursuant to the provisions of Section 2.05 of this Agreement.
 - (d) A Commitment Charge shall be charged equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
2. The Borrower shall cause the Project Implementing Entities to: (a) manage, operate, monitor, transfer and reconcile the proceeds of the Loan made available to them pursuant to paragraph 1 above in accordance with arrangements and procedures acceptable to the Bank; (b) take all required actions, including provision of timely consents and approvals as may be necessary, to facilitate the utilization of said Loan proceeds and the implementation of the Project and, to enable the Project Implementing Entities to comply with their undertakings under the respective Project Agreement; and (c) maintain all relevant records and documents related to the Loan and the Project and provide promptly such documents and records, including all other information related to the Loan and the Project, as may be requested by the Borrower or the Bank from time to time.

B. Institutional Arrangements

General

1. For the purpose of carrying out the Project, the Borrower shall ensure that a National Project Steering Group is maintained for providing overall leadership, coordination, policy and institutional guidance on Project implementation among MARA, SAMR, NDRC, MOF and the Project Implementing Entities, and facilitating the coordination of policy dialogue with other stakeholders.

SAMR

2. For the purpose of carrying out the Borrower's Respective Parts of the Project, the Borrower shall, through SAMR:
 - (a) maintain, and cause to be maintained the following entities with composition, powers, functions, staffing, facilities and other resources acceptable to the Bank:
 - (i) a Project leading group for providing overall leadership, coordination, policy and institutional guidance on Project implementation;
 - (ii) the Project Management Office-SAMR responsible for overall coordination, reporting, management, including management of environmental and social aspects, and monitoring and evaluation of its activities under the Borrower's Respective Parts of the Project and coordination with the Project Implementing Entities, and any other local authorities under arrangements acceptable to the Bank, and supporting the National Project Steering Group;
 - (iii) the Project Implementation Units-SAMR responsible for supporting the Project Management Office-SAMR in the implementation of its activities under the Borrower's Respective Parts of the Project, including preparation of the Annual Work Plans, semi-annual progress and financial reports, and day-to-day implementation of the activities under the Borrower's Respective Parts of the Project, including procurement and financial management, monitoring and evaluation; and
 - (iv) a technical expert group responsible for providing technical support to enhance quality in the design of Project activities and facilitate Project implementation at the national and provincial level.
 - (b) enter into an Implementation Agreement with each of the Project Implementation Units-SAMR on terms and conditions acceptable to the Bank; exercise its rights under each Implementation Agreement in such manner as to protect the interests of the Borrower and the interests of the Bank and to accomplish the purposes of the Project; and except as the Bank shall otherwise agree, shall not assign, amend, abrogate or waive the Implementation Agreement or any of its provisions.

MARA

3. For the purpose of carrying out the Borrower's Respective Parts of the Project, the Borrower shall, through MARA:
 - (a) maintain, and cause to be maintained, the following entities with composition, powers, functions, staffing, facilities and other resources acceptable to the Bank:
 - (i) the Project Management Office-MARA responsible for overall coordination, reporting, management, including management of environmental and social aspects, and monitoring and evaluation of its activities under the Borrower's Respective Parts of the Project and coordination with the Project Implementing Entities, and any other local authorities under arrangements acceptable to the Bank;
 - (ii) the Project Implementation Units-MARA responsible for supporting the Project Management Office-MARA in the implementation of its activities under the Borrower's Respective Parts of the Project, including preparation of the Annual Work Plans, semi-annual progress and financial reports, and day-to-day implementation of the activities under the Borrower's Respective Parts of the Project, including procurement and financial management, monitoring and evaluation; and
 - (iii) a technical expert group responsible for providing technical support to enhance quality in the design of Project activities and facilitate Project implementation at the national and provincial level.
 - (b) enter into an Implementation Agreement with the Project Implementation Units-MARA on terms and conditions acceptable to the Bank; exercise its rights under each Implementation Agreement in such manner as to protect the interests of the Borrower and the interests of the Bank and to accomplish the purposes of the Project; and except as the Bank shall otherwise agree, shall not assign, amend, abrogate or waive the Implementation Agreement or any of its provisions.

C. Annual Work Plans and Project Operations Manual

1. The Borrower shall, through MARA and SAMR: (a) prepare and furnish to the Bank by October 31 in each year, starting in 2024, a draft Annual Work Plan for review and comment, summarizing the implementation progress of its Respective Parts of the Project for the said year and the activities for its Respective Parts of the Project to be undertaken in the following calendar year, including the proposed annual budget for its Respective Parts of the Project; (b) taking into account the Bank's comments, finalize and furnish to the Bank no later than December 31 in each year, starting in 2024, the Annual Work Plan, acceptable to the Bank; and (c) thereafter ensure the implementation of its Respective Parts of the Project during the following calendar year in accordance with the Annual Work Plan agreed with the Bank and in a manner acceptable to the Bank. The Borrower shall, through MARA and SAMR, not amend, suspend, abrogate, or waive said Annual Work Plans or any provision thereof without the prior written agreement of the Bank.

2. The Borrower shall, through MARA and SAMR, apply throughout the implementation of its Respective Parts of the Project, the Project Operations Manual in a timely and efficient manner acceptable to the Bank. The Borrower shall, through MARA and SAMR not amend, suspend, or waive said Project Operations Manual or any provision or schedule thereof, without the prior written agreement of the Bank. In the event of any inconsistency between the provisions of the Project Operations Manual and those of this Agreement, the provisions of this Agreement shall prevail.

D. Safeguards

1. The Borrower shall take, and shall cause the Project Implementing Entities, to take, all measures necessary to comply with, or all measures necessary to enable the Project Implementing Entities to comply with the provisions of Section I.C of the Schedule to the respective Project Agreement.
2. The Borrower shall, through MARA and SAMR, implement the Safeguards Instruments applicable to its Respective Parts of the Project, in a manner and substance acceptable to the Bank. Without limitation on the foregoing, the Borrower shall, through MARA and SAMR, ensure, that each contract for works financed under its Respective Parts of the Project includes the obligations of the work contractors and any sub-contractor to comply with the relevant provisions of the Safeguards Instruments, as the case may be.
3. The Borrower shall, through MARA and SAMR, ensure, that all studies and technical assistance to be supported under its Respective Parts of the Project are carried out under terms of reference acceptable to the Bank, and that such terms of reference are consistent with, and pay due attention to, the Bank's Safeguards Policies.
4. The Borrower shall, through MARA and SAMR, not to amend, suspend, or waive the Safeguards Instruments applicable to its Respective Parts of the Project, or any provision thereof, without the prior written concurrence of the Bank.
5. The Borrower shall, through MARA and SAMR, maintain, policies and procedures adequate to enable them to monitor and evaluate, in accordance with guidelines acceptable to the Bank, the implementation of the Safeguards Instruments applicable to its Respective Parts of the Project.
6. Without limitation to the provisions of paragraphs 2 through 5 of this Section I.D, or the provisions of Section II.1 below, the Borrower shall, through MARA and SAMR, take all measures necessary on its part to regularly collect, compile, and submit to the Bank, as part of the Project Reports, and promptly in a separate report whenever the circumstances warrant, information on the status of compliance with the Safeguards Instruments applicable to its Respective Parts of the Project, giving details of:
 - (a) measures taken in furtherance thereof;
 - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation thereof; and

- (c) remedial measures taken or required to be taken to address such conditions.
7. In the event of any inconsistency between the provisions of the Safeguards Instruments and the provisions of this Agreement, the provisions of this Agreement shall prevail.

Section II. Project Monitoring, Reporting and Evaluation

1. The Borrower shall: (a) through MARA and SAMR, furnish to the Bank each Project Report for its Respective Parts of the Project not later than sixty (60) days after the end of each calendar semester, covering the calendar semester; and (b) cause the Project Implementing Entities to furnish to the Bank each Project Report for their Respective Parts of the Project not later than sixty (60) days after the end of each calendar semester, covering the calendar semester.
2. Without limitation to the provisions of paragraph 1 above, the Borrower shall, through MARA and SAMR, prepare, under terms of reference acceptable to the Bank, and furnish to the Bank no later than April 1, 2026, a consolidated mid-term review report for its Respective Parts of the Project, summarizing the results of the monitoring and evaluation activities carried out from the inception of its Respective Parts of the Project, and setting out the measures recommended to ensure the efficient completion of its Respective Parts of the Project and to further the objectives thereof.

Section III. Withdrawal of Loan Proceeds

A. General.

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Borrower may withdraw the proceeds of the Loan to finance Eligible Expenditures; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of Portion A of the Loan Allocated (expressed in USD)	Amount of Portion B of the Loan Allocated (expressed in USD)	Amount of Portion C of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed (inclusive of Taxes)

(1) Goods, works, non-consulting services, and consulting services Incremental Operating Costs and Training for the Borrower's Respective Parts of the Project for: (a) MARA; and (b) SAMR	6,591,000 11,050,000			100%
(2) Goods, works, non-consulting services, and consulting services Incremental Operating Costs and Training for the Project Implementing Entities' Respective Parts of the Project for: (a) Guangdong Province; and (b) Shandong Province	190,000,000	50,000,000		100%
(3) Sub-loans for Part 3.1 (a) of the Project			50,000,000	100% of amounts disbursed
(4) Loss Coverage for Part 3.1 (b) of the Project	40,000,000			100% of amounts disbursed
(5) Insurance Premia for Part 3.2 of the Project	30,000,000			100% of amounts disbursed
TOTAL AMOUNT	277,641,000	50,000,000	50,000,000	

B. Withdrawal Conditions; Withdrawal Period.

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:

- (a) for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed seventy-five million five hundred twenty-eight thousand and two hundred Dollars (\$75,528,200) may be made for payments made prior to this date but on or after December 1, 2020, for Eligible Expenditures under Categories (1) and (2);
- (b) for Sub-loans under Category (3) in respect of an individual PFI, until and unless:
 - (i) Yantai Municipality has: (A) adopted the Line of Credit Manual, in form and substance acceptable to the Bank, and incorporated said manual in its Project Operations Manual; and (B) hired an agency having experience and qualifications in the relevant technical fields, acceptable to the Bank, and under terms of reference, acceptable to the Bank, to support Yantai Municipality in carrying out Part 3.1 (a) of the Project; (ii) the Subsidiary Loan Agreement has been entered into between Yantai Municipality and such PFI, and all conditions precedent to its effectiveness (other than the disbursement of the proceeds of the Loan in respect of such PFI) have been fulfilled; and (iii) such PFI has adopted its ESMS in form and substance acceptable to the Bank;
- (c) for Loss Coverage under Category (4) until and unless: (i) Guangdong Province has: (A) adopted the RSF Manual, in form and substance acceptable to the Bank, and incorporated said manual in its Project Operations Manual; and (B) hired an agency having experience and qualifications in the relevant technical fields, acceptable to the Bank, and under terms of reference, acceptable to the Bank, to support Guangdong Province in carrying out Part 3.1 (b) of the Project; and (ii) in respect of an individual PFI until and unless: (A) the Risk Sharing Agreement has been entered into between Guangdong Province and such PFI, and all conditions precedent to its effectiveness (other than the disbursement of the proceeds of the Loan in respect of such PFI) have been fulfilled; and (B) such PFI has adopted its ESMS in form and substance acceptable to the Bank; or
- (d) for Insurance Premia under Category (5) until and unless: (i) Guangdong Province has: (A) adopted the Insurance Manual, in form and substance acceptable to the Bank, and incorporated said manual in its Project Operations Manual; and (B) hired an agency having experience and qualifications in the relevant technical fields, acceptable to the Bank, and under terms of reference, acceptable to the Bank, to support Guangdong Province in carrying out Part 3.2 of the Project; and (ii) the Food Safety Insurers are offering product(s) for insurance coverage duly approved pursuant to the laws of the Borrower and covering selected risks agreed with the Bank.

2. The Closing Date is March 31, 2029.

SCHEDULE 3

Commitment-Linked Amortization Repayment Schedule

1. Repayment of the principal amount of Portion A of the Loan

The following table sets forth the Principal Payment Dates of Portion A of the Loan and the percentage of the total principal amount of Portion A of the Loan payable on each Principal Payment Date (“Installment Share”).

Level Principal Repayments

Principal Payment Date	Installment Share
On each June 1 and December 1 Beginning June 1, 2027 through June 1, 2050	2.08%
On December 1, 2050	2.24%

2. Repayment of the principal amount of Portion B of the Loan

The following table sets forth the Principal Payment Dates of Portion B of the Loan and the percentage of the total principal amount of Portion B of the Loan payable on each Principal Payment Date (“Installment Share”).

Level Principal Repayments

Principal Payment Date	Installment Share
On each June 1 and December 1 Beginning June 1, 2031 through December 1, 2050	2.5%

3. Repayment of the principal amount of Portion C of the Loan

The Borrower shall repay the principal amount of Portion C of the Loan in full on December 1, 2040.

APPENDIX

Definitions

1. “Annual Work Plans” means each of the rolling plans for the Project to be prepared or updated by MARA, SAMR and the Project Implementing Entities for their Respective Parts of the Project, and agreed with the Bank, on an annual basis during the implementation of the Project, as provided for in Section I.C.1 of Schedule 2 to the Loan Agreement and Section I.B.1 of the Schedule to the respective Project Agreement.
2. “Anti-Corruption Guidelines” means, for purposes of paragraph 6 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
3. “Bank’s Safeguards Policies” means the operational policies and procedures for financing of development projects by the Bank at the date of this Agreement and relating to Environmental Assessment, Natural Habitats, Pest Management, Indigenous Peoples (Ethnic Minorities), Physical Cultural Resources, Involuntary Resettlement, Forests, Safety of Dams, Projects on International Waterways, and Projects in Disputed Areas, as published at <https://policies.worldbank.org/>.
4. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
5. “China Entry-Exit Inspection and Quarantine Association” means the association of the same name established in 1998, or any successor thereto.
6. “Chinese Academy of Inspection and Quarantine” means the academy of the same name established in 2004, or any successor thereto.
7. “DARA” means the Department of Agriculture and Rural Affairs of each Project Implementing Entity, or any successor thereto.
8. “Displaced Persons” means persons who, on account of the execution of the Project, have experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such persons must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such persons; and a “Displaced Person” means any of such Displaced Persons.
9. “Eligible Beneficiary” means a cooperative, a family fam, a farmer cooperative, a micro small and medium enterprise or a dragonhead enterprise duly established and operating under the laws of the Borrower, or such other entity or individual set forth in the Project Operations Manual (including the Line of Credit Manual and the RSF Manual, as the case may be), that meets the criteria set out in the Project Operations Manual (including the Line of Credit Manual and the RSF Manual, as the case may be), and which has received or will

- receive a Sub-loan or has benefited or will benefit from a partial credit guarantee issued under the RSF. “Eligible Beneficiaries” means more than one of such Eligible Beneficiary.
10. “Environmental and Social Management Framework” or “ESMF” means each of MARA’s, SAMR’s and the Project Implementing Entities’ environmental and social management frameworks dated February 2021 (for MARA), December 2020 (for SAMR), January 2021 (for Guangdong) and December 2020 (for Shandong), acceptable to the Bank, setting out the principles, rules, guidelines and procedures to screen and assess the potential adverse environmental and social risks and impacts (including health and safety issues) of Project activities, adopt measures to avoid, reduce, mitigate or offset environmental and social adverse risks and impacts, procedural, budget and institutional arrangements and actions needed to implement these measures, and information on the agency or agencies responsible for addressing the Projects’ risks and impacts; as well as for the preparation of ESMPs, ESMS, and any other environmental and social instruments, as such frameworks may be amended by the Borrower or the Project Implementing Entities from time to time, with the prior written agreement of the Bank.
 11. “Environmental and Social Management Plan” or “ESMP” means each of the environmental management plans for the Project, to be prepared by MARA, SAMR, the Project Implementing Entities, acceptable to the Bank, in accordance with the ESMF, setting forth the environmental protection measures, including measures for the protection of natural habitats, in respect of the Project, as well as administrative, monitoring, supervision and training arrangements to ensure the implementation of said plan, as said plan may be revised from time to time with the prior written agreement of the Bank, and such term includes all schedules and annexes supplemental thereto.
 12. “Environmental and Social Management System” or “ESMS” means a document, in form and substance acceptable to the Bank, to be developed and adopted by a Participating Financial Institution in accordance with the ESMF that provides for the screening of loan applications submitted by Eligible Beneficiaries under the Project, managing associated environmental and social risks and requiring the Eligible Beneficiary to comply with the social and environmental requirements arising from the application of the ESMF and the ESMS, as said document may be modified from time to time with the prior written no-objection of the Bank, and such term includes any schedules or annexes to such document.
 13. “Ethnic Minority Development Framework” or “EMDF” means Guangdong Province’s framework, acceptable to the Bank, dated January 2021, setting forth policies and procedures with the objective of avoiding cultural, social and economic adverse effects on ethnic minorities caused or likely to be caused by the Project, and through a process of informed consultation and participation, to involve concerned ethnic minorities in the design and implementation of relevant Project activities so as to ensure that the benefits received by the ethnic minorities under the Project are in harmony with their economic, social and cultural preferences and protect their customary user rights, as said framework may be revised from time to time with the prior written agreement of the Bank, and such term includes all schedules and agreements supplemental thereto.

14. “Ethnic Minority Development Plan” or “EMDP” means each of the ethnic minority development plan, acceptable to the Bank, prepared by Guangdong Province in accordance with the EMDF; and such term includes all schedules and annexes supplemental thereto.
15. “Food Safety Insurance Beneficiary” means an entity, which has met the criteria specified in the Project Operations Manual of Guangdong Province and, as a result, has been extended, or is to be extended, an insurance coverage under Part 3.2 of the Project; and “Food Safety Insurance Beneficiaries” means more than one of such Food Safety Insurance Beneficiary.
16. “Food Safety Insurer” means a domestic insurance company duly established and operating under the laws of the Borrower that has met the criteria provided in the Project Operations Manual of Guangdong Province and selected by Guangdong Province to provide insurance coverage to a Food Safety Insurance Beneficiary under Part 3.2 of the Project; and “Food Safety Insurers” means more than one of such Food Safety Insurer.
17. “Food Safety Sub-project” means an eligible food-safety project (as defined in the Line of Credit Manual and the RSF Manual, as the case may be) to be carried out by an Eligible Beneficiary receiving a Sub-loan or benefiting from a partial credit guarantee under the RSF, in accordance with the relevant provisions in the respective Project Agreement; and the term “Food Safety Sub-projects” means, collectively, all such sub-projects.
18. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020, on December 21, 2020, April 1, 2021, and January 1, 2022).
19. “Guangdong Agro-products Quality and Safety Center” means the center of the same name established by Guangdong Province’s DARA in 2012, or any successor thereto.
20. “Guangdong Province” means the Borrower’s province of the same name represented by its people’s government, or any successor thereto.
21. “Implementation Agreement” means: (a) with respect to SAMR, the agreement to be entered between SAMR and the Project Implementing Units-SAMR, pursuant to Section I.B.2(b) of Schedule 2 to this Agreement setting forth, *inter alia*, the roles and responsibilities of each party and the activities to be carried out by the Project Implementing Units-SAMR; and (b) with respect to MARA, the agreement to be entered between MARA and each the Project Implementing Units-MARA, pursuant to Section I.B.3(b) of Schedule 2 to this Agreement setting forth, *inter alia*, the roles and responsibilities of each party and the activities to be carried out by the Project Implementing Units-MARA; as said agreements may be amended from time to time with the prior written concurrence of the Bank, and such term includes all schedules supplemental to said agreements.
22. “Incremental Operating Costs” means the reasonable costs incurred by MARA, SAMR, and the Project Implementing Entities, for purposes of Project management and implementation based on the Annual Work Plans approved in advance by the Bank, on

- account of office supplies, consumables and rent, utilities, bank charges, communications, mass media and printing services, interpretation and translation services, vehicle rental, operation, maintenance, and insurance, building and equipment maintenance, local transportation, domestic and international travel, lodging, and subsistence allowances, and salaries of contractual and temporary staff, but excluding salaries and any salary supplements of members of the Borrower's or the Project Implementing Entities' civil service.
23. "Institute of Quality Standard and Testing Technology for Agro-products" means the institute of the same name established in 2003, or any successor thereto.
 24. "Insurance Manual" means the manual to be prepared by Guangdong Province, acceptable to the Bank, setting forth, *inter alia*, detailed arrangements and procedures for the implementation of Part 3.2 of the Project; as the said manual may be amended from time to time with the prior written agreement of the Bank.
 25. "Insurance Premia" means a payment made by or on behalf of a Food Safety Insurance Beneficiary to obtain insurance coverage by a Food Safety Insurer under Part 3.2 of the Project.
 26. "Loss Coverage" means an eligible loss risk coverage provided by Guangdong Province pursuant to the terms of the RSF Manual in respect of loans for Food Safety Sub-projects originated and held by the relevant PFI(s) pursuant to Risk Sharing Agreements.
 27. "Line of Credit Manual" means the manual to be prepared by Yantai Municipality, acceptable to the Bank, setting forth, *inter alia*, detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the line of credit facility under Part 3.1 (a) of the Project; (b) application, review and approval for Sub-loans; (c) eligibility criteria for PFIs, Food Safety Sub-projects, Eligible Beneficiaries; (d) payouts and financial management for Sub-loans; (e) Sub-loans portfolio risk management; (f) environmental and social safeguards management; (g) monitoring and evaluation, reporting and communication; and (h) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for Part 3.1 (a) of the Project; as the said manual may be amended from time to time with the prior written agreement of the Bank.
 28. "MARA" means the Borrower's Ministry of Agriculture and Rural Affairs, or any successor thereto.
 29. "MOF" means the Borrower's Ministry of Finance, or any successor thereto.
 30. "Municipal Project Leading Group" means the leading group established by Yantai Municipality on November 12, 2017, to be maintained in accordance with the provisions of Section I.A, paragraph 1(b) of the Schedule to the Project Agreement between the Bank and Shandong Province, or any successor thereto.
 31. "Municipal Project Management Office" means the management office established within Yantai Municipality's Marine Development and Fisheries Bureau on January 16, 2020, to be maintained in accordance with the provisions of Section I.A, paragraph 1(c) of the

- Schedule to the Project Agreement between the Bank and Shandong Province, or any successor thereto.
32. “National Project Steering Group” means the steering group to be maintained in accordance with the provisions of Section I.B.1 of Schedule 2 to this Agreement.
33. “NDRC” means the Borrower’s National Development and Reform Commission, or any successor thereto.
34. “Participating Financial Institution” or “PFI” means a commercial bank duly established and operating under the laws of the Borrower, and which: (a) with respect to Shandong Province, has been selected by Yantai Municipality in accordance with eligibility criteria and procedures agreed between the Bank and Shandong Province and set forth in the Project Operations Manual of Shandong Province, and as a result has received or is proposed to receive a portion of the proceeds of Portion C of the Loan under a Subsidiary Loan Agreement; or (b) with respect to Guangdong Province, selected by Guangdong Province in accordance with eligibility criteria acceptable to the Bank and set forth in the RSF Manual, and as a result has received or is proposed to receive a partial credit guarantee out of the proceeds of Portion A of the Loan under a Risk Sharing Agreement. “Participating Financial Institutions” or “PFIs” means more than one of such Participating Financial Institution.
35. “Pest Management Plan” means each of MARA’s and the Project Implementing Entities’ plan, acceptable to the Bank, dated February 2021 (for MARA), January 2021 (for Guangdong) and December 2020 (for Shandong), setting out, among other things, the measures to promote and support safe, effective, and environmentally sound pest management under the Project.
36. “Portion A of the Loan” means such portion of the Loan described in Section 2.01 (a) of this Agreement, which is extended to assist financing: (a) the Borrower’s Respective Parts of the Project in the amount allocated from time to time to SAMR and MARA in the table set forth in Section III.A of Schedule 2 to this Agreement, and (b) the Guangdong Province’s Respective Parts of the Project in the amount allocated from time to time to Guangdong Province in the table set forth in Section III.A of Schedule 2 to this Agreement.
37. “Portion B of the Loan” means such portion of the Loan described in Section 2.01 (b) of this Agreement, which is extended to assist financing Shandong Province’s Respective Parts of the Project (except Part 3.1 (a) of the Project).
38. “Portion C of the Loan” means such portion of the Loan described in Section 2.01 (c) of this Agreement, which is extended to assist financing Part 3.1 (a) of Shandong Province’s Respective Parts of the Project.
39. “Procurement Regulations” means, for purposes of paragraph 84 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.

40. “Project Implementing Entity” means Guangdong Province or Shandong Province; and “Project Implementing Entities” means, collectively, Guangdong Province and Shandong Province.
41. “Project Management Office-MARA” means the Project management office established within MARA, and to be maintained in accordance with the provisions of Section I.B.3(a)(i) of Schedule 2 to this Agreement, or any successor thereto.
42. “Project Management Office-SAMR” meant the Project management office established within the Chinese Academy of Inspection and Quarantine on January 22, 2021, and to be maintained in accordance with the provisions of Section I.B.2(a)(ii) of Schedule 2 to this Agreement, or any successor thereto.
43. “Project Implementation Units-MARA” means the units established within the Institute of Quality Standard and Testing Technology for Agro-products, or such other agency agreed between MARA and the Bank.
44. “Project Implementation Units-SAMR” means the units established within the Chinese Academy of Inspection and Quarantine and the China Entry-Exit Inspection and Quarantine Association, or such other agency agreed between SAMR and the Bank.
45. “Project Operations Manual” means each of the operations manuals prepared and adopted by MARA, SAMR and the Project Implementing Entities for the Project, acceptable to the Bank, describing, among other things: (a) the Project objective, Project activities and arrangements, acceptable to the Bank, flow of funds of the proceeds of the Loan and agreed procedures in, inter alia, procurement, financial management and disbursement; (b) the institutional arrangements for the implementation of the Project, and the roles and responsibilities of the entities involved in Project implementation; (c) steps and procedures for Project implementation; (d) monitoring and evaluation, reporting and information disclosure arrangements, and the indicators and targets for purposes of monitoring and evaluation of the progress of the Project; (e) guidelines to screen Project activities against any exclusion lists contained therein and guidelines to assess and mitigate the impacts of selected activities related to technology applications; and (f) guidelines for the preparation and implementation of the Annual Work Plans.
46. “Provincial Project Implementation Units” means the units established within Guangdong Agro-products Quality and Safety Center and Guangdong Province’s administration for market regulation, or such other agency agreed between Guangdong Province and the Bank.
47. “Provincial Project Leading Group” means the leading group established by Guangdong Province’s DARA on August 3, 2020, to be maintained in accordance with the provisions of Section I.A, paragraph 1(b) of the Schedule to the Project Agreement between the Bank and Guangdong Province, or any successor thereto.
48. “Provincial Project Management Office” means the management office established within Guangdong Province’s DARA on August 3, 2020, to be maintained in accordance with the

- provisions of Section I.A, paragraph 1(c) of the Schedule to the Project Agreement between the Bank and Guangdong Province, or any successor thereto.
49. “Resettlement Action Plan” or “RAP” means each of the resettlement action plans for the Project, prepared or to be prepared by the Project Implementing Entities, acceptable to the Bank, in accordance with the RPF, setting forth, *inter alia*: (a) the principles and procedures governing the acquisition of land required for the Project and related facilities; (b) actions and measures for the payment of compensation to Displaced Persons and for their resettlement and rehabilitation; (c) the criteria and procedures for developing and implementing actions and measures, acceptable to the Bank, for mitigating the adverse social impacts resulting from the implementation of activities in locations that are not directly identified in the RAP; (d) grievance redress mechanisms; and (e) reporting and monitoring arrangements to ensure compliance with said plan, as the same may be revised from time to time with the prior written agreement of the Bank; and such term includes all attachments and annexes supplemental to said plan.
50. “Resettlement Policy Framework” or “RPF” means each of the Project Implementing Entities’ resettlement policy framework for the Project, acceptable to the Bank, dated January 2021 (for Guangdong) and December 2020 (for Shandong), which sets out the policies and procedures for the acquisition of land and other assets, compensation, resettlement and rehabilitation of Displaced Persons, and for the preparation of RAPs as may be required for Project activities, as said framework may be revised from time to time with the prior written agreement of the Bank; and such term includes all schedules and annexes supplemental to said framework.
51. “Respective Parts of the Project” means: (a) with respect to the Borrower, the activities under Parts 1, 2 and 4 of the Project to be carried out by MARA and SAMR, as further specified in their respective Annual Work Plans; (b) with respect to Guangdong Province, the activities under Parts 1, 2, 3 (except Part 3.1 (a)) and 4 of Project to be implemented within its respective jurisdiction, as further specified in its respective Annual Work Plans; and (c) with respect to Shandong Province, the activities under Parts 1, 2, 3 (except Parts 3.1 (b) and 3.2) and 4 of Project to be implemented within its respective jurisdiction, as further specified in its respective Annual Work Plans.
52. “Risk Sharing Agreement” means an agreement, on terms and conditions acceptable to the Bank, entered into or to be entered into between Guangdong Province and a Participating Financial Institution, for the issuance of a partial credit guarantee to such Participating Financial Institution, as the same may be amended or supplemented from time to time with the prior written approval of the Bank. “Risk Sharing Agreements” means more than one of such Risk Sharing Agreement.
53. “Risk Sharing Facility” or “RSF” means the risk sharing facility created and administered by or on behalf of Guangdong Province for the purposes of the sharing of risk over a portfolio or individual loans for Food Safety Sub-projects originated and held by PFIs.
54. “RSF Account” means, in respect of the RSF, the relevant dedicated account in which amounts relating thereto disbursed pursuant to Annex 1 to the Schedule to the Project Agreement between the Bank and Guangdong Province, together with any interest and fees

earned by Guangdong Province in respect of such RSF, shall be held, pending payment of any claims under such RSF.

55. “RSF Manual” means the manual to be prepared by Guangdong Province, acceptable to the Bank, setting forth, *inter alia*, detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the RSF; (b) application, review and approval for partial credit guarantees under the RSF; (c) eligibility criteria for PFIs, Food Safety Sub-projects, Eligible Beneficiaries; (d) payouts and financial management for partial credit guarantees issued under the RSF; (e) RSF portfolio risk management; (f) environmental and social safeguards management; (g) monitoring and evaluation, reporting and communication; and (h) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for Part 3.1 (b) of the Project; as the said manual may be amended from time to time with the prior written agreement of the Bank.
56. “Safeguard Assessment and Plan” means any environmental and social assessment, environmental and social management plan, ethnic minority development plan, and any other applicable assessment or plan as described in the ESMF and the ESMS, to be prepared in accordance with the ESMF and the ESMS for a Food Safety Sub-project pursuant to Section I.D of the Schedule to the Project Agreements; and “Safeguard Assessments and Plans” means, collectively, all such assessments and plans.
57. “Safeguards Instruments” means collectively, the Environmental and Social Management Frameworks and any Environmental and Social Management Plans that may be prepared under the Project, the Resettlement Policy Frameworks and any Resettlement Action Plans that may be prepared under the Project, the Ethnic Minority Development Framework and any Ethnic Minority Development Plans that may be prepared under the Project, the Pest Management Plans, the ESMS, and the Safeguard Assessments and Plans, as well as any schedules and annexes supplemental to said instruments.
58. “SAMR” means the Borrower’s State Administration for Market Regulation, or any successor thereto.
59. “Shandong Province” means the Borrower’s province of the same name represented by its people’s government, or any successor thereto.
60. “Signature Date” means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to “the date of the Loan Agreement” in the General Conditions.
61. “Sub-loan” means a loan made or proposed to be made by a PFI, out of the proceeds of Portion C of the Loan (or such other portion of the Loan allocated from time to time to Category (3)) for purposes of financing all or a portion of the expenditures incurred by an Eligible Beneficiary for goods, works and services under a Food Safety Sub-project. “Sub-loans” means more than one of such Sub-loan.
62. “Subsidiary Loan Agreement” means an agreement, under terms and conditions acceptable to the Bank, entered or to be entered into between Yantai Municipality and a PFI pursuant

to Section I.D of the Schedule to the Project Agreement between the Bank and Shandong Province, as the same may be amended from time to time with prior agreement with the Bank, and such term includes all schedules supplemental to the Subsidiary Loan Agreement. “Subsidiary Loan Agreements” means more than one of such Subsidiary Loan Agreement.

63. “Training” means the costs of training activities under the Project, based on the Annual Work Plans, and attributable to seminars, workshops, and domestic and overseas training and study tours, along with travel and subsistence allowances for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to course preparation and implementation.
64. “Yantai Municipality” means Shandong Province’s municipality of the same name, or any successor thereto.